

ANNUAL REPORT

YEAR ENDING
DECEMBER 31, 1950

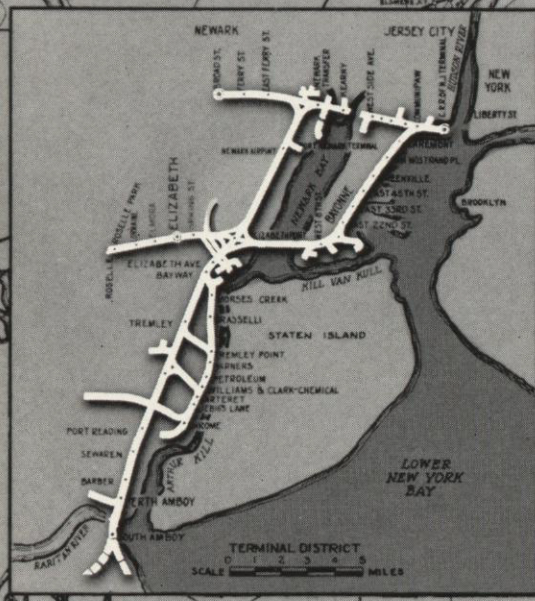


JERSEY CENTRAL LINES

BR 101
MR 26
96520973
C 3333



The BIG Little Railroad



JERSEY CENTRAL LINES
THE CENTRAL RAILROAD COMPANY OF NEW JERSEY
CENTRAL RAILROAD COMPANY OF PENNSYLVANIA

MAP OF SYSTEM AND
CONNECTING LINES
1951

SCALE: 0 5 10 20 MILES

- LEGEND:
- THE C.R.R. CO. OF N.J. OWNED, CONTROLLED AND OPERATED LINES.
 - LINES OPERATED IN WHICH THE C.R.R. CO. OF N.J. HAS A SUBSTANTIAL INTEREST. THE NEW YORK AND LONG BRANCH RAILROAD COMPANY. BAY SHORE CONNECTING RAILROAD COMPANY.
 - C.R.R. CO. OF PA. OWNED, CONTROLLED AND OPERATED LINES.
 - C.R.R. CO. OF PA. TRackage RIGHTS.
 - LINES NOT OPERATED IN WHICH THE C.R.R. CO. OF N.J. HAS A SUBSTANTIAL INTEREST. THE LEHIGH AND HUDSON RIVER RAILWAY COMPANY. RARITAN RIVER RAILROAD COMPANY.
 - THROUGH CONNECTIONS.
 - OTHER RAILROADS.



ANNUAL REPORT

For the year ending December 31, 1950

THE **BIG** LITTLE RAILROAD

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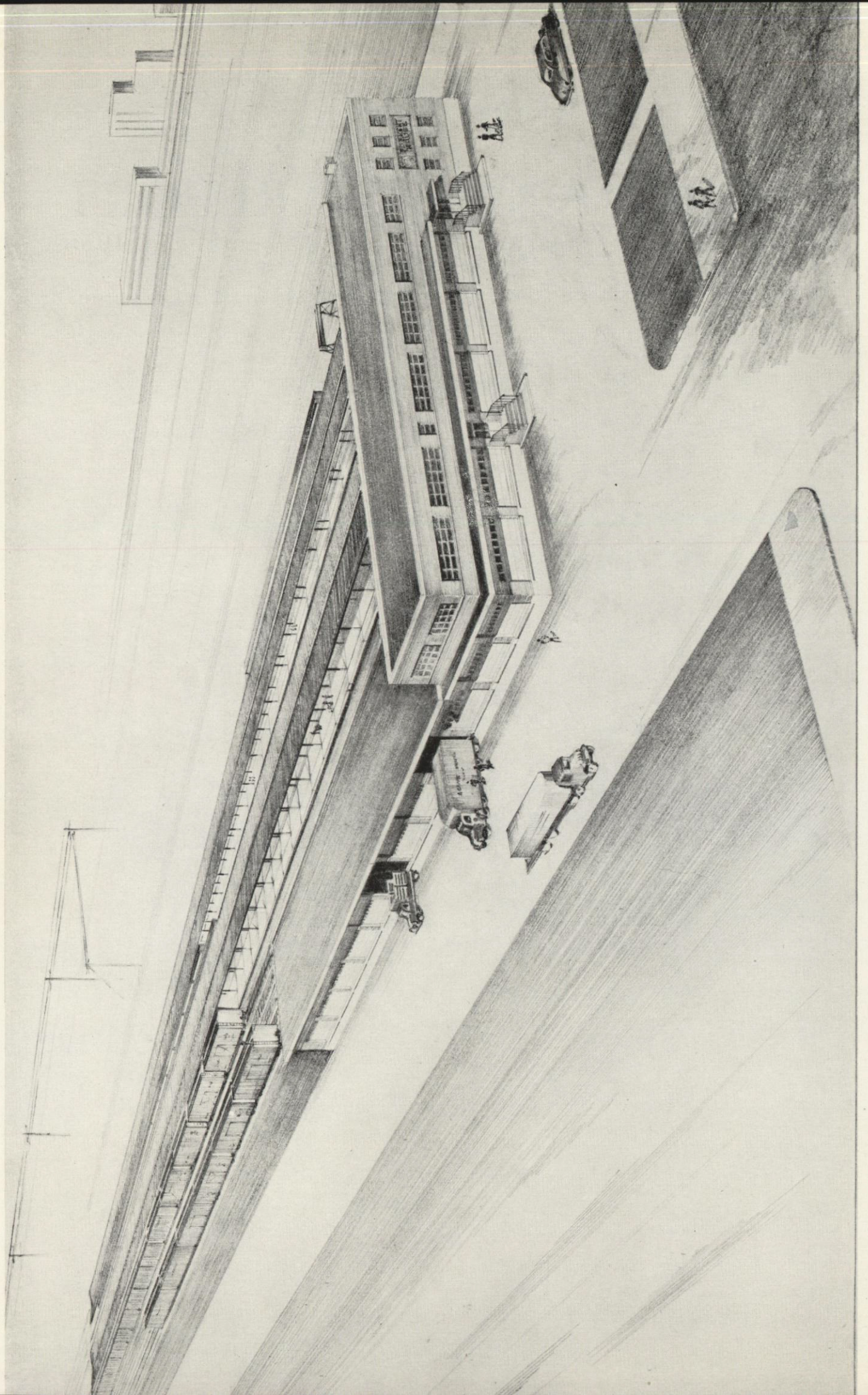
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THE COVER:

A portion of Jersey Central Lines' extensive
Jersey City Terminal area, Jersey City, N. J.

1652973



Architect's sketch shows how Central of New Jersey's new Elizabethport LCL Freight Transfer, to be located at the west end of Elizabethport Yard, Elizabeth, N. J., will look on completion, expected in June 1951.

Jersey Central Lines

Directors

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY

Roy B. White, *Chairman*
Revelle W. Brown
J. Hamilton Cheston
William V. Griffin
John W. Kress
Frank C. La Grange
Earl T. Moore
Fred N. Oliver
William I. Woodcock, Jr.

CENTRAL RAILROAD COMPANY OF PENNSYLVANIA

Percy A. Brown
Revelle W. Brown
James D. Carpenter, Jr.
Edward J. Fox, Jr.
John W. Kress
Horace Lehr
Earl T. Moore
Joshua A. Rich, IV
Andrew J. Sordoni
J. L. Stackhouse
Robert A. Young

WHARTON AND NORTHERN RAILROAD COMPANY

Carl W. Badenhausen
Revelle W. Brown
Ludwig R. Dohm
William Kohler
Judson C. McLester, Jr.
Earl T. Moore
Arthur C. Tosh

JERSEY CENTRAL TRANSPORTATION COMPANY

William Kohler
Judson C. McLester, Jr.
Earl T. Moore
Arthur C. Tosh
Harry E. Yerkes

General Offices

143 LIBERTY STREET
NEW YORK 6, N. Y.

Officers

PRESIDENT:

EARL T. MOORE

VICE PRESIDENT AND GENERAL MANAGER:

ARTHUR C. TOSH

GENERAL COUNSEL:

JUDSON C. MCLESTER, JR.

CHIEF ACCOUNTING OFFICER:

RALPH E. THOMPSON

SECRETARY AND TREASURER:

WILLIAM KOHLER

EXECUTIVE ASSISTANT TO THE PRESIDENT:

HARRY W. DORIGAN

CHIEF FREIGHT TRAFFIC OFFICER:

DON Y. SMITH

PASSENGER TRAFFIC MANAGER:

HARRY E. YERKES

CHIEF ENGINEER:

SYDNEY L. MAPES

PURCHASING AGENT:

ESPY A. WORKMAN

PROPERTY MANAGER:

PHILIP M. PARKER

MEDICAL DIRECTOR:

IRA GOLDOWSKY, M.D.

Jersey Central Lines

**The Central Railroad Company of New Jersey
Central Railroad Company of Pennsylvania**

**Wharton and Northern Railroad Company
Jersey Central Transportation Company**

Financial results for the year (Thousands of Dollars)

	1950	1949	Increase or Decrease (*)
The Lines received from freight, passenger and miscellaneous operations, a total income of	\$60,156	\$54,579	\$5,577
The cost of maintaining the property and operating the Lines was	47,620	44,977	2,643
Leaving a balance from operations of	\$12,536	\$ 9,602	\$2,934
Federal, State and Local taxes required	5,319	5,341	* 22
Leaving a balance of	\$ 7,217	\$ 4,261	\$2,956
The Lines paid to other companies for hire of equipment and use of joint facilities in excess of the amount received by them from these sources	681	269	412
Leaving a net operating income of	\$ 6,536	\$ 3,992	\$2,544
Other income derived from investments in stocks, bonds and miscellaneous items was	858	622	236
Making a total income of	\$ 7,394	\$ 4,614	\$2,780
Interest on equipment trust certificates and funded debt, rents paid for leased railroads and miscellaneous deductions totaled	4,614	5,460	* 846
Resulting in a net income of	\$ 2,780	\$# 846	\$3,626
Net Income	\$ 2,780		
Add back deductions from income for property retired and not replaced less income accruing to "Capital Fund"	474		
To determine "Available Net Income" as defined in General Mortgage	3,254		
Allocation of 1950 "Available Net Income"			
To purchase of Interest Certificates	\$ 1,627		
To Capital purposes	\$ 1,627		

Denotes deficit.

Jersey Central Lines

The Central Railroad Company of New Jersey
Central Railroad Company of Pennsylvania

Wharton and Northern Railroad Company
Jersey Central Transportation Company

Condensed Consolidated Balance Sheet

(Inter-Company Items Eliminated)

(Thousands of Dollars)

	December 31, 1950	December 31, 1949	Increase or Decrease (*)
<i>Assets</i>			
Investment in land, railroad tracks, terminal facilities, shops, locomotives, freight and passenger cars and other fixed property	\$175,090	\$173,101	\$1,989
Less depreciation and amortization	47,598	47,149	449
Investment in transportation property less depreciation and amortization	\$127,492	\$125,952	\$1,540
Investment in stocks, bonds, notes of affiliated companies and other investments	8,981	10,866	* 1,885
Capital and reserve funds, sinking funds and miscellaneous physical properties	5,843	1,180	4,663
Total Investments	\$142,316	\$137,998	\$4,318
Cash and special deposits	\$ 9,525	\$ 5,215	\$4,310
Temporary investments in U. S. Government bills and certificates of indebtedness	405	710	* 305
Other railroads and others owed the Lines	8,014	5,891	2,123
Fuel, rails, ties, bridge material and other supplies necessary for keeping road and equipment in good order	3,533	4,666	* 1,133
Deferred assets and unadjusted debits including items owed to but not yet available to the Lines	2,391	3,981	* 1,590
Grand Total	\$166,184	\$158,461	\$7,723
<i>Liabilities</i>			
Capital Stock	\$ 22,896	\$ 22,896	
General mortgage bonds, equipment obligations and interest certificates	67,348	70,249	\$ * 2,901
Amounts owed for materials, supplies, wages, and balances to other railroad companies and others, and interest and rents accrued but not due	10,637	8,751	1,886
Taxes accrued but not due	896	762	134
Deferred liabilities including items due to others, but not yet adjusted	2,322	1,451	871
Surplus	62,085	54,352	7,733
Grand Total	\$166,184	\$158,461	\$7,723

* Denotes decrease.

page five

1950—The First Year Following Reorganization

THIS was an unusual year for your Companies — one that will not likely be duplicated in the foreseeable future.

Earnings were favorable and were not reduced by Federal income tax payments because of carry-over losses from previous years.

A substantial sum was received from the Federal Government refunding overpayment of income taxes in prior years.

A substantial sum was received from the sales of 935 acres of meadowland to the Port of New York Authority and the New Jersey Turnpike Authority.

Funds from these and other sources made it possible to:

Build up our working capital as prescribed in the Mortgage.

Carry out routine capital expenditures of one and one-quarter million dollars.

Purchase 24 new diesel units with 20% cash payment.

Purchase 125 cement hopper cars with 20% cash payment.

Purchase 15 units of marine equipment consisting of carfloats, barges, scows, hoist boats and a ferryboat, with full cash payment.

Allocate funds for the construction of a new and modern LCL freight transfer facility at Elizabethport.

Allocate two and one-half million dollars for improvements and modernization of yard at Allentown.

Allocate over one million eight hundred thousand dollars to the Capital Fund.

Retire approximately 45% of the outstanding Interest Certificates.

These transactions are explained in more detail in this report.

At the close of 1950—the end of the first year following reorganization—our debt was reduced by \$2,900,000 as compared with a year ago; our working capital had been built up to \$4,000,000 as prescribed in the Mortgage; \$1,862,157 had been set aside for the Capital Fund, and the Mortgage Trustee held \$839,924 for subsequent application under the terms of the Mortgage as explained under the heading “Sale of Meadowland Property.”

Federal Tax Refund

On January 24, 1950, your Companies received a refund of Federal income taxes for the years 1943 and 1944 aggregating \$2,473,101. Under the provisions of the General Mortgage this refund was applied by the Board of Directors as follows:

To build up cash working capital to the prescribed amount of \$4,000,000	\$ 730,590
Deposited in the Capital Fund	690,330
To the retirement of Non-Interest Bearing Interest Certificates.....	1,052,181

Originally \$690,331 was allocated for retirement of Interest Certificates and \$1,092,440 was allocated to build up cash working capital pending the final determination of certain reorganization expenses affecting cash working capital. Later, when the amount of certain originally estimated items had been definitely ascertained, these allocations were revised as shown above.

Retirement of Non-Interest Bearing Interest Certificates

Considerable progress has been made in reducing the debt represented by the Central of New Jersey's Non-Interest Bearing Interest Certificates. Under the Plan of Modification \$10,739,925 principal amount of these Certificates were issued in 1949 and at January 1, 1950, all were outstanding. These certificates are mandatorily payable only from "Available Net Income."

Between January 1, 1950, and April 1, 1951, a total of \$2,679,305 was spent to retire \$4,752,150 principal amount or 44.3% of the entire issue of these Certificates.

The \$2,679,305 consisted of \$1,627,124 representing one-half of the Jersey Central Lines' 1950 "Available Net Income" and \$1,052,181 allocated by the Company's Board of Directors from the Federal Income Tax Refund received in January 1950.

Freight Traffic

Strikes in coal, steel and other major industries, which had adversely affected freight traffic in 1949, were settled by the end of the first quarter of 1950 with consequent restoration of traffic as indicated by the following:

	Loaded Freight Cars Revenue	
First 3 months 1950 compared with same period 1949—Decrease	10%	7%
Last 9 months 1950 compared with same period 1949—Increase	16%	19%
Year 1950 compared with 1949—Increase	9%	12%

The number of loaded cars handled in 1950 increased from 887,000 in the previous year to 969,000. Freight revenue for the year 1950 was \$50,789,000 as compared with \$45,366,000 in the previous year.

Industrial activity in 1950 incident to defense measures required increased rail transportation and your Companies participated in supplying that demand.

There were no general changes in freight

rates during 1950. Your Companies have joined with other Class I carriers in a petition presently before the Interstate Commerce Commission for a general freight rate increase to meet increased wage and material costs. On March 14, 1951, the Interstate Commerce Commission, pending its final determination, granted interim increases effective April 4, 1951, which, on the basis of the 1950 traffic volume, it is estimated will add approximately \$1,500,000 a year to your Companies' gross revenues.

Industrial Development

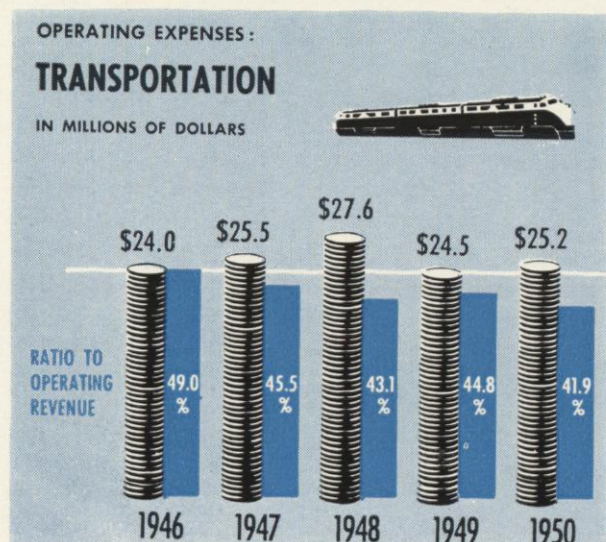
Industrial development along the Jersey Central Lines during the year 1950 showed an improvement over the year 1949. Fifty-five new industries were established during 1950 from which new traffic, estimated at 7,000 carloads annually, is anticipated.

One of the highlights in the field of industrial development during the past year was the establishment of a manufacturing zone designated as Elizabeth Central District. This District comprises 125 acres of Company owned lands in Elizabeth, strategically located north of the Central of New Jersey main line, between U. S. Highway No. 1 and the New Jersey Turnpike now under construction.

The location is one of the few remaining desirable industrial sites in the New York metropolitan area. The site is ten miles from the Port of New York and adjacent to Newark Airport and Port Newark.

Railroad service will be provided exclusively





by the Central of New Jersey. Industrial firms desiring to erect plants in the Elizabeth Central District will be offered complete planning, construction and financial services through arrangements with leading engineering and financial institutions.

Purchase of plant sites within the District will be arranged on a "complete package" basis, including rail connections, paved streets, all utilities such as electricity, water, gas and sewerage. (*Location map on inside back cover.*)

Lighterage Case

As stated in our 1949 Annual Report, the Interstate Commerce Commission on December 29, 1949, dismissed our petition for increased allowances for lighterage and carfloat service in New York Harbor.

This decision has been appealed by Central of New Jersey to a statutory three-judge United States District Court. The Commission's answer in the appeal has not yet been filed.

Passenger Train Service

The unfavorable relationship between operating expenses and revenues for passenger train service continued through 1950. The fol-

lowing tabulation shows the results of passenger train operations during the past three years.

TREND OF REVENUE AND EXPENSE FROM PASSENGER SERVICE JERSEY CENTRAL LINES

Revenues and expenses assigned to passenger service in accordance with Interstate Commerce Commission Regulations for the years 1948-1950, inclusive, were as follows:

(Thousands of Dollars)			
	1948	1949	1950
Gross Revenue	\$ 8,573	\$ 8,187	\$ 8,169*
Operating expenses related solely to passenger service	11,405	10,819	10,536
Losses — without any charges for "common" expenses	\$ 2,832	\$ 2,632	\$ 2,367
Operating expenses "common" to both passenger and freight service apportioned to passenger service	5,021	4,570	4,509
Losses — before taxes and fixed charges	\$ 7,853	\$ 7,202	\$ 6,876

* Includes \$275,398 retroactive increase for handling mail.

Passenger train service is preponderantly for commuter traffic at peak periods each morning and evening. This requires equipment and facilities, train crews and station forces, which cannot be utilized economically during the balance of the 24-hour period. The consequent cost of furnishing this service, essential to the communities along its line, continues to present one of the principal problems facing the Central of New Jersey.

The reduction in gross revenue during 1950 was almost entirely due to a decrease in through basic fare-paying passengers, with very little change in the volume of commuter traffic. Some net savings in passenger train costs were effected during 1950 by the discontinuance of several New York-Philadelphia and Philadelphia-Scranton trains and by increased

utilization of Diesel-electric motive power. Programs are in progress for further economies through reductions in dining car service and elimination of certain unprofitable branch line passenger operations. Also, studies are under way as to possible economies through rearrangement of passenger train schedules consistent with reasonable service to the public.

Intrastate Commutation Fare Case

In March 1950, the New Jersey Board of Public Utility Commissioners reopened the matter of the Central of New Jersey's intrastate commutation fares. After a hearing the Board ordered reductions in fares which it is estimated would reduce the Central of New Jersey's commutation revenues by about \$40,000 a year. An appeal from this decision of the Board is pending before the New Jersey Supreme Court, where it was argued on February 26, 1951.

Compensation for Handling United States Mail

Negotiations between representatives of the Railroads and Post Office Department resulted, late in 1950, in an agreement regarding rates for handling mail. The agreement provided for retroactive increase in rates for the period February 19, 1947, to December 31, 1950. The amount included in the Jersey Central Lines income accounts for the year 1950 covering the retroactive increased rates was \$275,398 for the years 1947-1949, inclusive, and \$106,602 applicable to the year 1950, or a total of \$382,000.

The agreement also provided for development of a new scale of rates, effective January 1, 1951, upon the basis of specified principles. Of particular interest to the Jersey Central Lines, in view of their relatively high proportion of terminal costs in mail handling, is the specification that the new rate structure shall include terminal charges as well as line haul charges.

The new scale of rates has not yet been developed and no estimate has been made of the effect on Jersey Central Lines' revenue.

TAXES

Federal Taxes

No Federal Income Tax has been accrued for 1950 because the carry-over losses from 1948 and 1949 exceed 1950 income which would otherwise be taxable. Without the advantage of these carry-over losses the 1950 Federal Income Tax would have amounted to approximately \$1,600,000 and the combined net income of your Companies would have been approximately \$1,180,000 instead of the \$2,780,000 shown in this Report. The principal item included in the carry-over losses resulted from the 1948 settlement of New Jersey State Property Tax claims which long had been in litigation. No part of the loss represented by this item can be carried over to the years subsequent to 1950.

There are no claims relating to Federal Income Taxes now pending.

There are no significant losses to be carried forward against any net income that may be realized in 1951, so if 1951 produces substantial income, it will be subject to Federal Income Tax at whatever rate may be applicable to corporate incomes. In view of the low rate of return your Companies have been able to earn upon their invested capital even in the best of years, it appears unlikely that the results of 1951 operations will bring them within Federal Excess Profits Tax brackets.

New Jersey Property Taxes

In 1949 the Director of Taxation for the State of New Jersey reduced the assessed valuations of railroad waterfront properties in the New York Harbor area, including those of the Central of New Jersey, by approximately 10 per cent. The resulting reduction in annual property taxes for the Central of New Jersey was approximately \$100,000.

The City of Jersey City appealed all these reductions. The final outcome of this appeal cannot be predicted.

New Jersey State Franchise Tax Appeal

The Central of New Jersey has paid, but appealed its New Jersey State franchise tax assessments for 1948, 1949 and 1950, aggregating

about \$891,000, upon the ground that those assessments improperly included the earnings of the Central of Pennsylvania. The Division of Tax Appeals has held that the assessments were proper, principally upon the ground that the operation of the Central of Pennsylvania is not separate from the operation of the Central of New Jersey. An appeal from this holding has been taken to the New Jersey Superior Court.

New Equipment

The Jersey Central Lines have continued their program of replacing steam with Diesel-electric motive power. During 1950 we acquired 24 Diesel-electric units and ordered 31 additional units for delivery in 1951, as follows:

	No. of Units	H. P.	Class
Received in 1950:	8	1000	Switchers
	4	1200	Switchers
	12	1600	General Utility
	—		
	24		
For delivery in 1951:	1	1000	Switcher
	16	1200	Switchers
	14	1600	General Utility
	—		
	31		

Upon receipt of these locomotives the lines west of the Allentown-Bethlehem area will be completely dieselized and it is estimated that the entire system operations will be dieselized

to the following extent (based upon existing traffic level) :

Freight Gross Ton Miles	90% Diesel
Passenger Car Miles	65% Diesel
Yard Engine Hours	80% Diesel

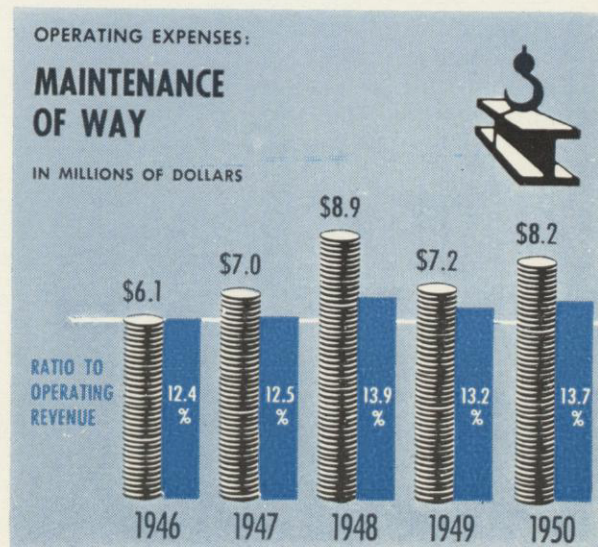
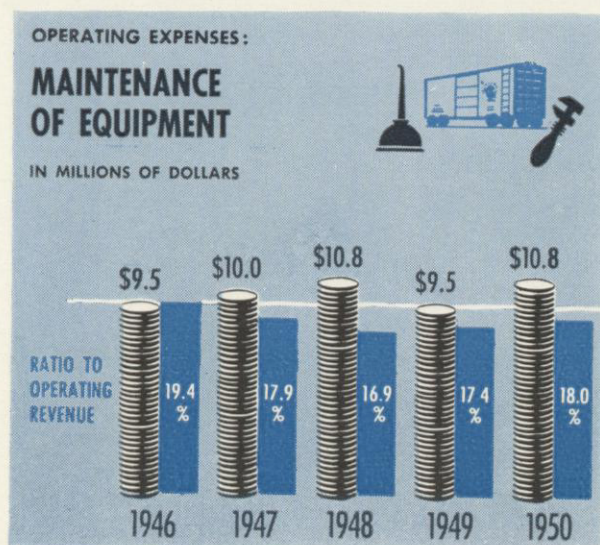
In addition to these Diesel-electric locomotives, 125 new covered steel hopper cars, designed particularly to serve the needs of the cement trade, were acquired in 1950, as well as 15 units of marine equipment, acquired or on order at the close of the year, as follows:

- 1—steel ferryboat (rebuilt)
- 5—steel covered barges
- 3—steel steam hoist lighters
- 4—steel scows
- 2—steel carfloats

Sale of Meadowland Property

In December 1950, the Central of New Jersey realized \$3,339,924 from sales of approximately 935 acres of its meadowlands located in Elizabeth, New Jersey. The Port of New York Authority purchased approximately 850 acres for expansion of the Newark Airport. The other 85 acres were acquired by the New Jersey Turnpike Authority as part of the right-of-way for an express toll highway now under construction across New Jersey.

The Port Authority, under an agreement





The Jersey Central Lines provides excellent bulk-cement service in New York Harbor. The focal point of the operation is at Pier 10, Jersey City, N. J. (shown above), where cement is pumped at the rate of 125 tons per hour from covered hopper cars into specially-built barges destined for the many cement-mixing plants in the Harbor area.

dated March 7, 1950, took possession of the land it eventually purchased and instituted condemnation proceedings. The Port Authority paid \$3,000,000 as an overall consideration for the land and for settlement of all of your Company's claims in the condemnation proceedings, together with interest, as provided in the March 7 agreement, of \$145,500. The Turnpike Authority paid \$339,924 for the land it acquired in addition to \$6,985 of interest paid under the terms of a "Right of Entry" agreement dated August 25, 1950.

The money received for this acreage, other than interest, was deposited with the Trustee of the General Mortgage. In accordance with the provisions of the Mortgage, \$2,500,000 of this fund has been allocated to meet a portion of the cost of the yard improvements at Allentown. The money so allocated will be withdrawn from time to time as expenditures on the yard improvements are made or contracted for. After withdrawal of the \$2,500,000, the remaining \$839,924 will be applied, first, to build up the balance in the Capital Fund to \$2,500,000 and, second, to the extent not required for that

purpose, to the retirement of General Mortgage Bonds.

Other Property Sales

During 1950 your Company sold to the New Jersey Turnpike Authority approximately 26 acres of land at various locations in Newark and Elizabeth, New Jersey, for \$181,414.

Twelve other miscellaneous parcels of land, aggregating 10 acres, were sold to various other parties for an aggregate consideration of \$34,032.

Allentown Yard

It has been recognized for a long time that improvements should be made in your Companies' properties to reduce freight terminal costs and decrease the time consumed in terminal movement of freight cars.

Over a period of years the Central of New Jersey assembled a large acreage of land in the

Elizabeth meadow area for the ultimate purpose of building a modern consolidated New York Harbor Terminal Yard, which would reduce terminal costs and expedite freight car movement.

In 1946 it became known that part of this meadowland area was to be condemned by the Port of New York Authority for expansion of the Newark Airport and studies were then undertaken of possible alternative plans for improving yard service and costs. During the latter years of reorganization, these studies were given a great deal of consideration and, as a result, provision in the plan of reorganization was made for allocation of a portion of the proceeds from the sale of meadowland property to capital improvement authorized prior to December 31, 1949.

The Central Railroad Company of Pennsylvania Board of Directors in 1949 authorized the enlargement and modernization of the present classification yard at Allentown, Pennsylvania.

Actual construction was deferred until early in 1951 when funds became available from the sale of meadowland and the traffic prospects justified this improvement. The plans which call for an estimated expenditure of three and one-half million dollars, provide for extending the yard and equipping it with the latest devices for expediting the handling of freight traffic. The project should be completed in about two years. It will be financed to a large extent with the proceeds of the sale of the Meadowland discussed elsewhere in this report.

When completed the yard will be one of the largest and most modern freight yards in the East. The enlarged yard, which will be 4.6 miles long, will have 56 tracks, several of them capable of holding 150-car trains, with overall capacity of 3,824 cars.

Operation of the yard will be completely modernized through the use of Diesel-electric locomotives in all yard services and the installation of the latest devices for switching and classifying cars. The improvements will include a new hump yard and car retarder control system, a new interlocking plant, a new floodlight system electronically controlled by the degree of daylight, extension of the yard's radio communication system, new car repair facilities, modernization and expansion of the yard's signal system and complete loudspeaker communications system.

When the improved yard facilities are put in operation they will increase the speed of freight movements along the entire system and will materially improve the Jersey Central Lines' service to patrons. This will be accomplished in large part through classification of all westbound traffic, destined to Bethlehem and points beyond, at Allentown instead of in the congested New York Harbor Terminal area where this work is slow and expensive.

The traffic destined to Bethlehem and beyond represents about fifty per cent of the total westbound traffic originating in the New York metropolitan area and by transferring this classification work to Allentown, the remainder of the classification work can be performed much more efficiently in the harbor terminal territory.

The changes in operations resulting from the improvements at Allentown will produce savings for the Jersey Central Lines estimated at \$800,000 a year.

Elizabethport Transfer

The Central of New Jersey's Elizabethport freight transfer facilities at Elizabeth, New Jersey, are to be demolished to make way for a section of the new 118-mile turnpike being built by the New Jersey Turnpike Authority.

The present facilities, which are a focal point for transfer of less than carload (LCL) freight, will be replaced by new freight transfer facilities to be constructed near the present location. The new transfer will be completely modern in every respect as to both construction and equipment for operation, and will include facilities for freight forwarder operations. It will reduce the cost of handling and speed up the movement of LCL freight shipments.

Construction of the new transfer, which will cost approximately \$1,000,000, is under way and is expected to be completed in June 1951. The Turnpike Authority paid the Central of New Jersey \$608,000 as damages representing the cost of replacing the old transfer facilities in kind and this amount will be applied toward the cost of the new construction.

Wages and Salaries

Increases in wages and salaries made late in 1950 and early in 1951, including the interim increases only to operating employees, would add approximately \$2,625,000 to your Companies' annual payrolls based upon the 1950



An interior view of the modernized and remodeled passenger station of the Jersey Central Lines at Roselle and Roselle Park, N. J.

level of employment. These increases were granted both to employees covered by agreements with the various labor organizations and to officers and employees not within the scope of labor agreements. Demands for increases upon the part of the four operating Brotherhoods representing yard and road employees still are being negotiated. The increases already granted this group were ordered by the Government and are considered interim in nature. No estimate can now be made as to the additional cost which may result from the final settlement of this group's demands.

The agreements reached with the labor organizations, other than the operating Brotherhoods, provide for a three-year moratorium on requests for wage increases, as well as provisions for wage adjustments up or down, calculated quarterly, of one cent per hour for each full point change in the Consumers' Price Index as published by the Bureau of Labor Statistics.

If the cost-of-living provisions are projected for all employees within the scope of the organizations, it is estimated to amount to \$225,000 annually for each one full point change in the index.

Storm of November 1950

A storm of hurricane proportions occurred November 25, 1950, which raised the tide at Jersey City a foot above all previous high water records, flooding the Jersey City Terminal. All operations at Jersey City were stopped for about twelve hours. Traffic was interrupted for several days on the Newark & Elizabeth Branch, Elizabethport & Perth Amboy Branch and the New York and Long Branch Railroad between South Amboy and Morgan as a result of track and roadbed washouts. Damage to property and equipment amounted to about \$250,000 over insurance coverage.

Public and Employee Relations

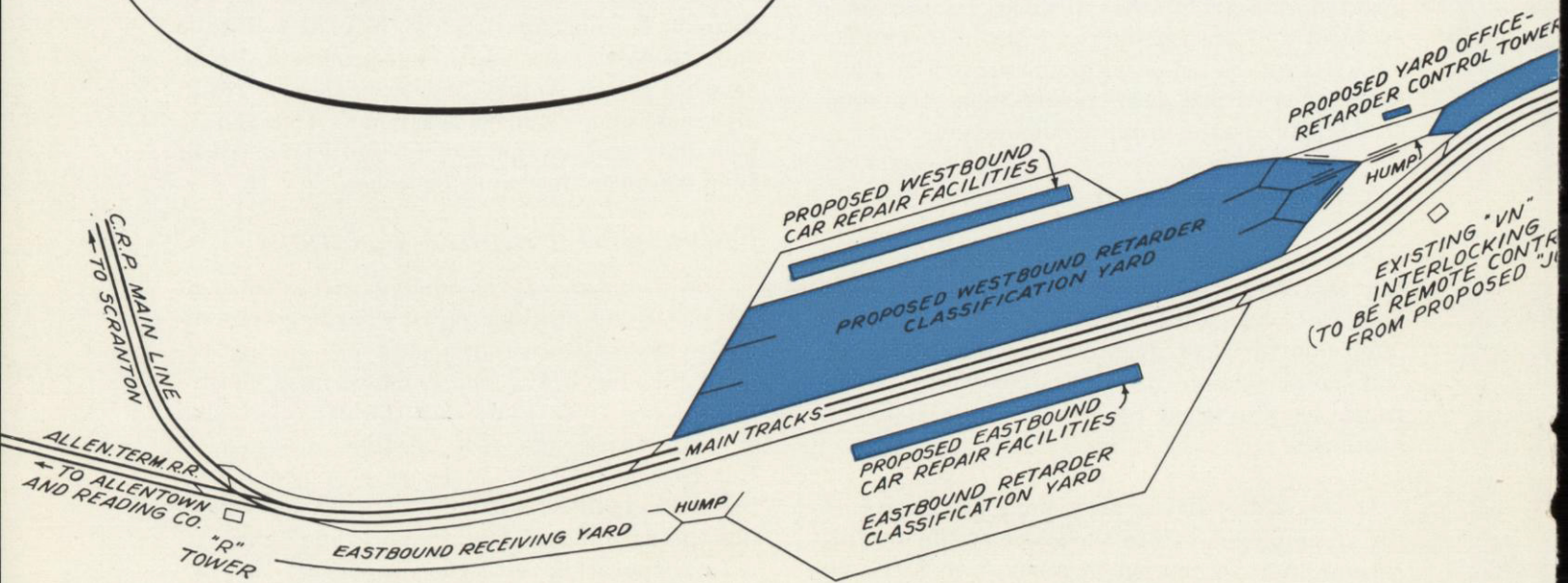
The program of remodeling and modernizing passenger stations serving large communities in the suburban area, as the buildings become due for heavy maintenance, was continued during 1950. Following the policy adopted several years ago, the station grounds at Roselle-Roselle Park, N. J., were turned over to the municipalities on long-term leases, relieving the railroad of maintenance and taxes.

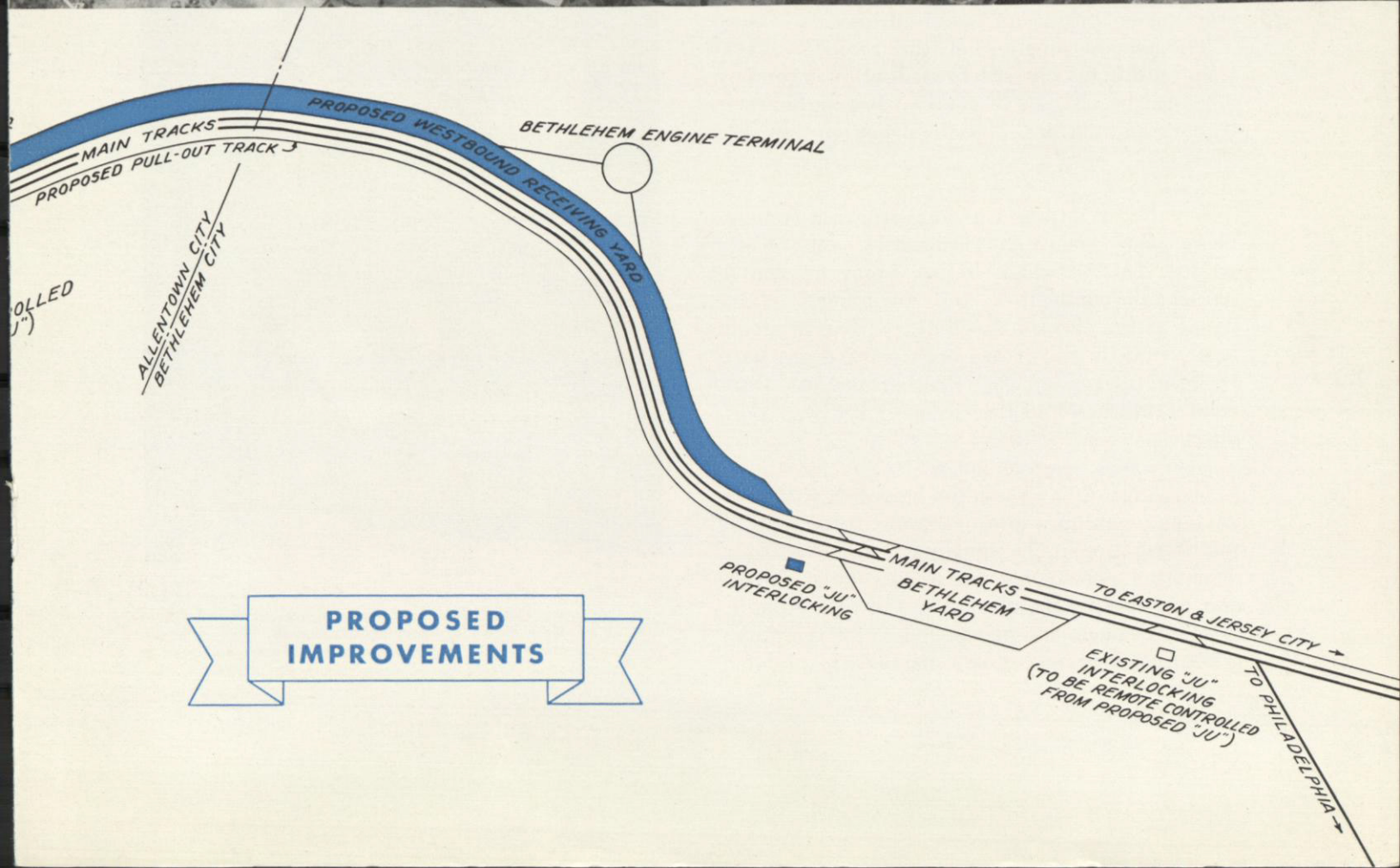
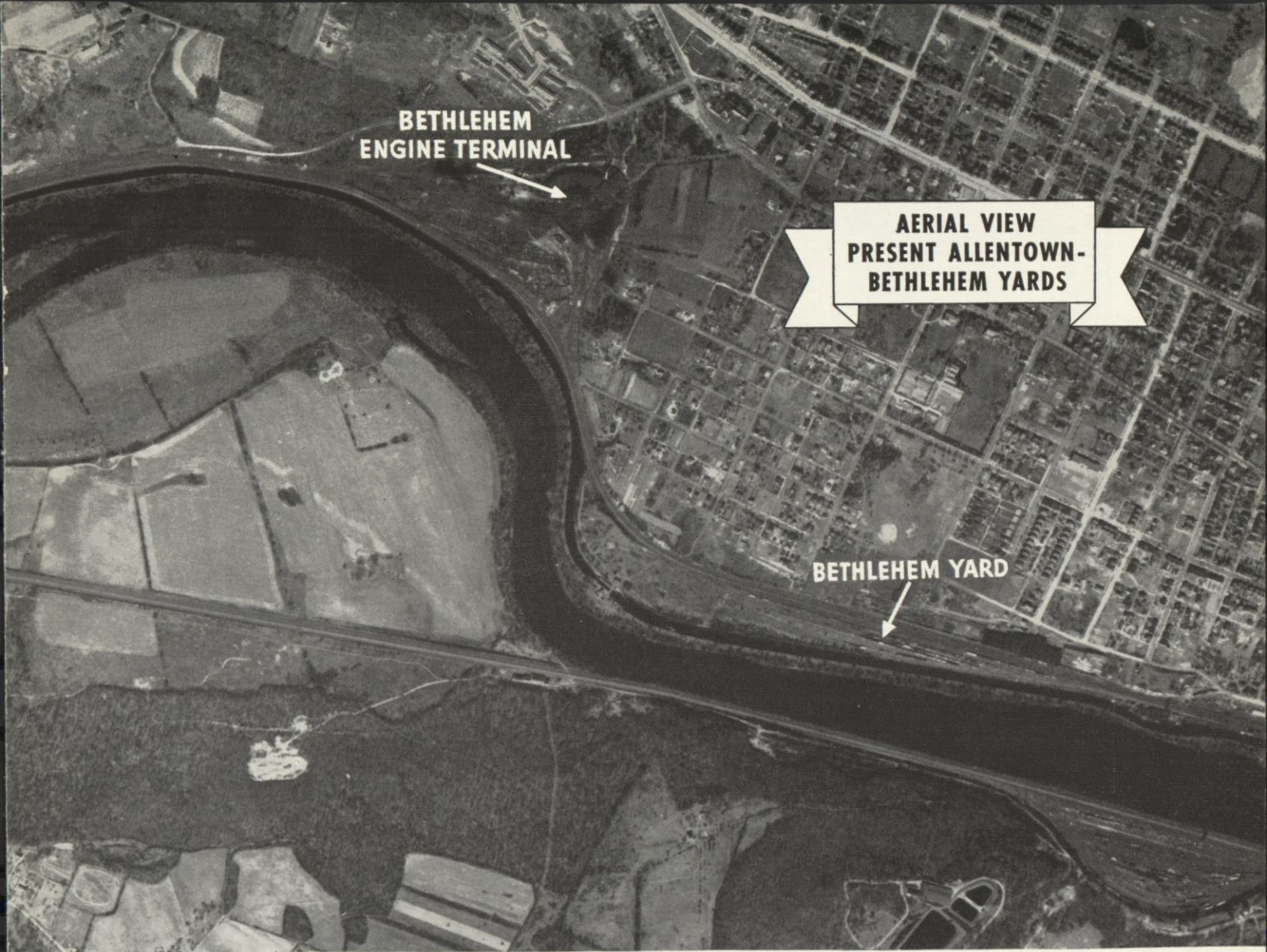
In cooperation with the Mayors of the two Boroughs, the railroad developed a comprehensive program of improvements, including

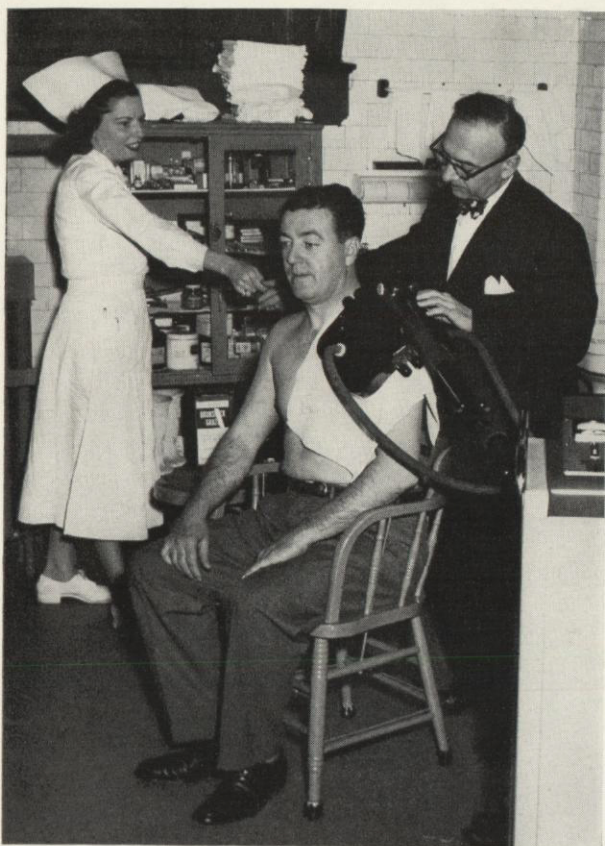
ALLENTOWN YARD

Allentown Yard

IMPROVEMENT PROJECT







Dr. Ira Goldowsky, your Companies' Medical Director, applies diathermy treatment to Central of New Jersey patient at dispensary in Jersey City Terminal.

remodeling and modernizing of the passenger stations serving these communities.

The official opening of the remodeled station buildings was celebrated at a ceremony attended by officials of the two Boroughs, civic leaders and officers of the railroad on January 27, 1951.

A public relations training program for employees has been inaugurated by your Companies. This program is first being offered to passenger conductors and trainmen. Attendance at the classes is voluntary. The program is unusual in that it has been worked out with representatives of the Brotherhood of Railroad Trainmen and the Order of Railway Conductors.

Each class session has as its central theme a showing of a Vocafilm dealing with the various techniques and problems in the field of public relations. The showing is followed by a discussion period devoted to specific problems and to suggestions offered by the participants.

At the conclusion of the conductor-trainman training program, similar classes are planned

for other employees and officers who come in contact with the public—either in person, by telephone or through correspondence.

Your Companies maintain a Medical Department in charge of a Medical Director and staffed with competent physicians and registered nurses. This Department has affiliations with various hospitals along the line.

The facilities of the Medical Department include a complete dispensary equipped for handling personal injury treatments and a department equipped for physical examinations at Jersey City, with similar facilities at the Elizabethport Shops.

In addition to care and treatment for personal injuries, the Medical Department examines all applicants for employment and makes periodic examinations of employees, including officers. Through these examinations complete up-to-date records are kept of the physical condition of employees.

The American College of Surgeons has in-



Mr. Stanley E. Warner, who has retired after a 55-year career with the Jersey Central Lines, receives the best wishes of President E. T. Moore during a dinner on October 28, 1950, in honor of recently-retired employees and officers. Mr. Warner had been a Supervisor of Agents for 32 years before his retirement.



Centerpiece of your Companies' Christmas display at Jersey City Terminal was this big photograph of Central of New Jersey employees above the train gates on train concourse.

spected the facilities and services of the Medical Department and has certified them as complying with the standards for "Medical Services in Industries" of the American College of Surgeons.

Under the Jersey Central Lines Suggestion Plan a total of 710 suggestions were submitted by employees in 1950. Of these 93 were accepted and they received awards totaling \$855. This brings to 4,598 the number of suggestions received since the start of the plan in September 1945. Of this number, 513 received awards totaling \$6,132.29.

Employee sports, recreational and social programs instituted in past years were continued in 1950. They included two dinner-shows in honor of recently-retired Jersey Central Lines employees, a boat-ride picnic to Rye Beach, N. Y., and bowling and soft-ball competitions.

Government Seizure

Under Executive Order of the President of the United States dated August 25, 1950, the Secretary of the Army took possession and control of the railroad transportation systems

within the United States. The reasons for this action were interruptions and threatened interruptions in the operation of the railroads caused by labor disturbances. The properties of your Companies are operated in accordance with operating agreements entered into by the United States Government and the railroads.

The cooperation received from the Companies' patrons, employees and security holders is greatly appreciated.

By order of the Directors

President

March 15, 1951

Jersey Central Lines

The Central Railroad Company of New Jersey
Central Railroad Company of Pennsylvania

Wharton and Northern Railroad Company
Jersey Central Transportation Company

Combined Income Account

(Thousands of Dollars)

	1950	Percent Inc. or Dec.	1949
LOADED CARS: (thousands)			
Merchandise	712.9	5.85	673.5
Anthracite	121.1	10.19	109.9
Bituminous	134.9	30.34	103.5
Total Cars	968.9	9.25	886.9
REVENUE:			
Freight:			
Merchandise	\$34,841	10.22	\$31,610
Anthracite	10,618	11.37	9,534
Bituminous	5,330	26.24	4,222
Total Freight	50,789	11.95	45,366
Passenger	6,035	*6.90	6,482
Mail	923	50.57	613
Express	546	77.27	308
Other	1,863	2.99	1,809
Total Revenue	\$60,156	10.22	\$54,578
OPERATING EXPENSES:			
		<i>Operating Ratio</i>	<i>Operating Ratio</i>
Maintenance of Way	\$ 8,237	13.69	\$ 7,214
Maintenance of Equipment	10,823	17.99	9,478
Transportation	25,199	41.89	24,451
Other	3,361	5.59	3,834
Total Operating Expense	\$47,620	79.16	\$44,977
NET REVENUE	\$12,536		\$ 9,601
Railway Tax Accruals	5,319		5,342
Hire of Equipment	530		68
Joint Facility Rents	151		200
Sub Total	\$ 6,000		\$ 5,610
NET OPERATING INCOME	\$ 6,536		\$ 3,991
Other Income	858		622
Total Income	7,394		4,613
Other Deductions	369		810
Fixed Charges	4,245		4,650
Sub Total	\$ 4,614		\$ 5,460
NET INCOME	\$ 2,780		\$ #847

Denotes Reverse Figure

* Decrease

Jersey Central Lines

The Central Railroad Company of New Jersey
Central Railroad Company of Pennsylvania

Wharton and Northern Railroad Company
Jersey Central Transportation Company

Income Account

(Thousands of Dollars)

	C.N.J.		C.R.P.		W.&N.		J.C.T.		TOTAL Excluding Inter-company Items	
	1950	1949	1950	1949	1950	1949	1950	1949	1950	1949
REVENUE:										
Freight:										
Merchandise . . .	\$23,786	\$21,725	\$10,693	\$ 9,564	\$350	\$311	\$12	\$10	\$34,841	\$31,610
Anthracite . . .	4,912	4,420	5,706	5,114					10,618	9,534
Bituminous . . .	2,910	2,280	2,388	1,919	32	23			5,330	4,222
Total Freight . . .	31,608	28,425	18,787	16,597	382	334	12	10	50,789	45,366
Passenger . . .	5,859	6,233	102	169			74	80	6,035	6,482
Mail . . .	507	340	416	273					923	613
Express . . .	426	226	120	82					546	308
Other . . .	1,792	1,746	71	63					1,863	1,809
Total Revenue . . .	\$40,192	\$36,970	\$19,496	\$17,184	\$382	\$334	\$86	\$90	\$60,156	\$54,578
OPERATING EXPENSES:										
Maintenance of Way . . .	\$ 5,812	\$ 5,513	\$ 2,409	\$ 1,680	\$ 16	\$ 21			\$ 8,237	\$ 7,214
Maintenance of Equipment . . .	6,760	6,209	4,054	3,260	9	9			10,823	9,478
Transportation . . .	19,638	19,005	5,526	5,413	35	33			25,199	24,451
Other . . .	2,479	2,913	748	785	42	39	92	97	3,361	3,834
Total Operating Expenses . . .	\$34,689	\$33,640	\$12,737	\$11,138	\$102	\$102	\$92	\$97	\$47,620	\$44,977
NET REVENUE . . .	\$ 5,503	\$ 3,330	\$ 6,759	\$ 6,046	\$280	\$232	\$#6	\$#7	\$12,536	\$ 9,601
Railway Tax Accruals . . .	\$ 4,421	\$ 4,533	\$ 872	\$ 780	\$ 26	\$ 29			\$ 5,319	\$ 5,342
Hire of Equipment . . .	3,751	3,166	#3,233	#3,108	12	10			530	68
Joint Facility Rents . . .	281	298	#131	#98	1				151	200
Sub Total . . .	\$ 8,453	\$ 7,997	\$#2,492	\$#2,426	\$ 39	\$ 39			\$ 6,000	\$ 5,610
NET OPERATING INCOME . . .	\$#2,950	\$#4,667	\$ 9,251	\$ 8,472	\$241	\$193	\$#6	\$#7	\$ 6,536	\$ 3,991
Other Income . . .	5,674	7,236	76	67	64	72	1		858	622
Total Income . . .	2,724	2,569	9,327	8,539	305	265	#5	#7	7,394	4,613
Other Deductions . . .	334	803	35	7					369	810
Fixed Charges . . .	1,721	2,132	3,977	3,882	10	14			4,245	4,650
Sub Total . . .	\$ 2,055	\$ 2,935	\$ 4,012	\$ 3,889	\$ 10	\$ 14			\$ 4,614	\$ 5,460
NET INCOME . . .	\$ 669	\$ #366	\$ 5,315	\$ 4,650	\$295	\$251	\$#5	\$#7	\$ 2,780	\$ #847

Denotes Reverse Figure.

page nineteen

Jersey Central Lines

The Central Railroad Company of New Jersey
Central Railroad Company of Pennsylvania

Wharton and Northern Railroad Company
Jersey Central Transportation Company

Consolidated Balance Sheet

(Inter-Company Items Eliminated)

(Thousands of Dollars)

Assets

	December 31, 1950	December 31, 1949	Increase or Decrease(*)
<i>Investments:</i>			
Road and Equipment Property	\$165,137	\$162,321	\$2,816
Improvements on Leased Property	13,039	13,804	* 765
Donations and Grants	# 3,086	# 3,024	* 62
Investment in Transportation Property	\$175,090	\$173,101	\$1,989
Accrued Depreciation—Road	# 5,415	# 4,615	* 800
Accrued Depreciation—Equipment	#31,956	#32,125	169
Accrued Amortization of Defense Projects—Road	# 249	# 420	171
Accrued Amortization Defense Projects—Equipment	# 9,978	# 9,990	12
Investment in Transportation Property less recorded Depreciation and Amortization	\$127,492	\$125,951	\$1,541
Capital and Other Reserve Funds	4,338	97	4,241
Miscellaneous Physical Property	1,505	1,083	422
Investments in Affiliated Companies:			
Stocks	3,342	3,342	
Bonds	1,837	1,862	* 25
Other Secured Obligations	40	40	
Unsecured Notes	675	675	
Investment Advances	2,954	4,175	* 1,221
Other Investments:			
Stocks	1,588	1,588	
Bonds	274	903	* 629
Other Secured Obligations		11	* 11
Reserve for Adjustment of Investment in Securities	# 1,729	# 1,729	
Total Investments Less Recorded Depreciation and Amortization	\$142,316	\$137,998	\$4,318
<i>Current Assets:</i>			
Cash	\$ 7,281	\$ 4,406	\$2,875
Temporary Cash Investments	405	710	* 305
Special Deposits	2,244	809	1,435
Traffic and Car Service Balances—Debit	684	864	* 180
Net Balance Receivable from Agents and Conductors	1,365	945	420
Miscellaneous Accounts Receivable	4,569	3,016	1,553
Material and Supplies	3,533	4,666	* 1,133
Interest and Dividends Receivable	51	58	* 7
Accrued Accounts Receivable	1,300	934	366
Other Current Assets	45	74	* 29
Total Current Assets	\$ 21,477	\$ 16,482	\$4,995
<i>Deferred Assets:</i>			
Working Fund Advances	\$ 219	\$ 222	*\$ 3
Insurance and other Funds	117	111	6
Other Deferred Assets	436	2,577	* 2,141
Total Deferred Assets	\$ 772	\$ 2,910	*\$2,138
<i>Unadjusted Debits:</i>			
Prepayments	\$ 861	\$ 326	\$ 535
Discount on Funded Debt	84	69	15
Other Unadjusted Debits	674	676	* 2
Total Unadjusted Debits	\$ 1,619	\$ 1,071	\$ 548
Grand Total	\$166,184	\$158,461	\$7,723

Denotes credit. * Denotes decrease.

Jersey Central Lines

The Central Railroad Company of New Jersey
Central Railroad Company of Pennsylvania

Wharton and Northern Railroad Company
Jersey Central Transportation Company

Consolidated Balance Sheet

(Inter-Company Items Eliminated)

(Thousands of Dollars)

Liabilities

Stock:

Capital Stock, Common	December 31, 1950	December 31, 1949	Increase or Decrease (*)
	\$ 22,896	\$ 22,896	

Long Term Debt:

Funded Debt Unmatured:			
Equipment Obligations with Public	\$ 12,190	\$ 10,778	\$ 1,412
Mortgage Bonds with Public	48,731	48,731	
Interest Certificates	6,427	10,740	* 4,313
Total Long Term Debt	\$ 67,348	\$ 70,249	\$* 2,901

Current Liabilities:

Traffic and Car Service Balances—Credit	\$ 2,872	\$ 2,263	\$ 609
Audited Accounts and Wages Payable	3,643	2,493	1,150
Miscellaneous Accounts Payable	924	1,116	* 192
Interest Matured Unpaid	953	1,025	* 72
Dividends Matured Unpaid	21	21	
Unmatured Interest Accrued	69	54	15
Accrued Accounts Payable	1,545	1,298	247
Taxes Accrued	896	762	134
Other Current Liabilities	610	481	129
Total Current Liabilities	\$ 11,533	\$ 9,513	\$ 2,020

Deferred Liabilities:

Other Deferred Liabilities	\$ 134	\$ 176	\$* 42
Total Deferred Liabilities	\$ 134	\$ 176	\$* 42

Unadjusted Credits:

Other Unadjusted Credits	\$ 1,503	\$ 499	\$ 1,004
Accrued Depreciation—Leased Property	685	776	* 91
Total Unadjusted Credits	\$ 2,188	\$ 1,275	\$ 913

Surplus:

Unearned Surplus	\$ 4,541	\$ 4,541	
Earned Surplus—Appropriated	57,376	59,276	\$* 1,900
Earned Surplus—Unappropriated	168	†9,465	9,633
Total Surplus	\$ 62,085	\$ 54,352	\$ 7,733
Grand total	\$166,184	\$158,461	\$ 7,723

† Denotes debit.

* Denotes decrease.

The Central Railroad Company of New Jersey

General Balance Sheet

Assets

	December 31, 1950	December 31, 1949	Increase or Decrease (*)
<i>Investments:</i>			
Road and Equipment Property	\$145,475,174	\$145,095,051	\$ 380,123
Improvements on Leased Property	12,656,353	13,485,514	* 829,161
Donations and Grants	# 3,077,737	# 3,016,274	* 61,463
Investment in Transportation Property	\$155,053,790	\$155,564,291	\$* 510,501
Accrued Depreciation—Road	# 5,355,936	# 4,566,639	* 789,297
Accrued Depreciation—Equipment	#30,433,348	#31,077,968	644,620
Accrued Amortization of Defense Projects—Road	# 248,865	# 420,495	171,630
Accrued Amortization of Defense Projects—Equipment	# 6,708,891	# 6,720,440	11,549
Investment in Transportation Property less recorded Depreciation and Amortization	\$112,306,750	\$112,778,749	\$* 471,999
Capital and Other Reserve Funds	4,337,807	97,348	4,240,459
Miscellaneous Physical Property	1,500,818	1,072,822	427,996
<i>Investments in Affiliated Companies:</i>			
Stocks	6,217,711	6,217,706	5
Bonds	1,837,000	1,862,000	* 25,000
Other Secured Obligations	40,000	40,000	
Unsecured Notes	675,000	675,000	
Investment Advances	2,904,566	4,174,905	* 1,270,339
<i>Other Investments:</i>			
Stocks	1,587,897	1,587,897	
Bonds	274,381	303,050	* 28,669
Other Secured Obligations		10,604	* 10,604
Reserve for Adjustment of Investment in Securities	# 1,728,934	# 1,728,934	
Total Investments Less Recorded Depreciation and Amortization	\$129,952,996	\$127,091,147	\$ 2,861,849
<i>Current Assets:</i>			
Cash	\$ 3,858,981	\$ 3,227,413	\$ 631,568
Temporary Cash Investments	309,765	10,002	299,763
Special Deposits	1,246,462	740,670	505,792
Net Balance Receivable from Agents and Conductors	1,257,026	861,982	395,044
Miscellaneous Accounts Receivable	4,368,898	3,042,391	1,326,507
Material and Supplies	2,538,642	3,453,550	* 914,908
Interest and Dividends Receivable	44,276	46,858	* 2,582
Accrued Accounts Receivable	1,646,153	1,179,504	466,649
Other Current Assets	40,641	70,921	* 30,280
Total Current Assets	\$ 15,310,844	\$ 12,633,291	\$ 2,677,553
<i>Deferred Assets:</i>			
Working Fund Advances	\$ 217,044	\$ 219,475	\$* 2,431
Insurance and Other Funds	116,374	111,011	5,363
Other Deferred Assets	525,851	2,310,301	* 1,784,450
Total Deferred Assets	\$ 859,269	\$ 2,640,787	\$* 1,781,518
<i>Unadjusted Debits:</i>			
Prepayments	\$ 773,173	\$ 281,045	\$ 492,128
Discount on Funded Debt	19,621	9,598	10,023
Other Unadjusted Debits	602,181	605,913	* 3,732
Total Unadjusted Debits	\$ 1,394,975	\$ 896,556	\$ 498,419
Grand Total	\$147,518,084	\$143,261,781	\$ 4,256,303

Denotes credit.

* Denotes decrease.

The Central Railroad Company of New Jersey

General Balance Sheet

Liabilities

	December 31, 1950	December 31, 1949	Increase or Decrease (*)
<i>Stock:</i>			
Capital Stock,			
Common—Class "A"	\$ 9,177,350		
Class "B"	13,718,400		
Outstanding	\$ 22,895,750	\$ 22,895,750	
<i>Long Term Debt:</i>			
Funded Debt Unmatured:			
Equipment Obligations with Public	\$ 2,650,000	\$ 1,400,000	\$ 1,250,000
Interest Certificates	6,427,257	10,739,925	* 4,312,668
Mortgage Bonds	48,731,000	48,731,000	
Total Long Term Debt	\$ 57,808,257	\$ 60,870,925	\$* 3,062,668
<i>Current Liabilities:</i>			
Traffic and Car Service Balances—Credit	\$ 3,221,237	\$ 2,263,329	\$ 957,908
Audited Accounts and Wages Payable	2,979,228	1,975,241	1,003,987
Miscellaneous Accounts Payable	1,008,047	936,275	71,772
Interest Matured Unpaid	953,118	1,023,412	* 70,294
Dividends Matured Unpaid	21,325	21,325	
Unmatured Interest Accrued	15,550	7,659	7,891
Accrued Accounts Payable	1,453,614	1,169,623	283,991
Taxes Accrued	419,140	367,934	51,206
Other Current Liabilities	495,919	405,861	90,058
Total Current Liabilities	\$ 10,567,178	\$ 8,170,659	\$ 2,396,519
<i>Deferred Liabilities:</i>			
Other Deferred Liabilities	\$ 130,991	\$ 170,899	\$* 39,908
Total Deferred Liabilities	\$ 130,991	\$ 170,899	\$* 39,908
<i>Unadjusted Credits:</i>			
Other Unadjusted Credits	\$ 970,462	\$ 475,032	\$ 495,430
Accrued Depreciation—Leased Property	685,450	776,075	* 90,625
Total Unadjusted Credits	\$ 1,655,912	\$ 1,251,107	\$ 404,805
<i>Surplus:</i>			
Unearned Surplus	\$ 4,541,050	\$ 4,541,050	
Earned Surplus—Appropriated	57,375,647	59,275,921	\$* 1,900,274
Earned Surplus—Unappropriated	† 7,456,701	† 13,914,530	6,457,829
Total Surplus	\$ 54,459,996	\$ 49,902,441	\$ 4,557,555
Grand Total	\$ 147,518,084	\$ 143,261,781	\$ 4,256,303

† Denotes debit. * Denotes decrease.

Jersey Central Lines

The Central Railroad Company of New Jersey

Profit and Loss

Debit Balance December 31, 1949	\$13,914,530	
Surplus appropriated for invest. in physical property	2,461	
Miscellaneous debits	497,362	
Total Debits		\$14,414,353
Credit balance transferred from Income	669,454	
Miscellaneous credits	5,236,647	
Total Credits		5,906,101
Debit Balance December 31, 1950		\$ 8,508,252

Long Term Debt

Mortgage Bonds

Per Cent	Date of Issue	Date of Maturity	Total Amount Issued	Held by Company	Amount Actually Outstanding	Interest Due
3¼ %	July 1, 1949	July 1, 1987	\$48,731,000		\$48,731,000	Jan. and July

Interest Certificates

July 1, 1949	None	10,739,925	6,427,257
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Equipment Trust Obligations

2½ %	Oct. 15, 1948	Oct. 15, 1963	1,500,000		1,300,000	Apr. and Oct.
2½ %	Apr. 1, 1950	Apr. 1, 1965	1,350,000		1,350,000	Apr. and Oct.
			2,850,000		2,650,000	
Grand Total Long Term Debt					57,808,257	

Central Railroad Company of Pennsylvania

Long Term Debt

Equipment Trust Obligations

Per Cent	Date of Issue	Date of Maturity	Total Amount Issued	Held by Company	Amount Actually Outstanding	Interest Due
2¼ %	June 15, 1944	June 15, 1959	\$ 3,720,000		\$ 2,232,000	June and Dec.
2¾ %	June 15, 1947	June 15, 1962	1,605,000		1,284,000	June and Dec.
2¾ %	July 15, 1947	July 15, 1962	3,750,000		3,000,000	Jan. and July
2¾ %	Apr. 15, 1948	Apr. 15, 1963	1,395,000		1,209,000	Apr. and Oct.
2¾ %	Apr. 1, 1950	Apr. 1, 1965	1,815,000		1,815,000	Apr. and Oct.
	Total		\$12,285,000		9,540,000	
Grand Total Long Term Debt					\$ 9,540,000	

Wharton and Northern Railroad Company

NONE

Jersey Central Lines

Stocks—Affiliated Companies

The Central Railroad Company of New Jersey

	Percent of Ownership	Pledged Par Value	Unpledged Par Value	Pledged Ledger Value	Unpledged Ledger Value
Allentown Terminal Railroad Company . . .	50%	\$ 224,850.00	\$ 150.00	\$ 224,850.00	\$ 150.00
Bay Shore Connecting Railroad Company . . .	50%	27,500.00	400.00	27,500.00	400.00
Central Railroad Company of Pennsylvania . . .	100%	1,828,400.00	1,700.00	1,828,400.00	1,700.00
Communipaw Central Land Company . . .	100%	1,500.00	500.00	1,500.00	500.00
Dover and Rockaway Railroad Company . . .	63.8%	95,000.00	700.00	91,217.67	737.33
Edroyal Corporation . . .	100%	749,700.00	300.00	749,700.00	300.00
Elizabethport and New York Ferry Company . . .	99%	—	1,460.00	—	1,460.00
Hunter Run Water Company . . .	100%	4,875.00	125.00	3,116.12	79.90
Jersey Central Transportation Company . . .	100%	19,500.00	500.00	19,500.00	500.00
Mount Hope Mineral Railroad Company . . .	68.3%	108,800.00	500.00	223,206.98	1,025.77
New York and Long Branch Railroad Company . . .	50%	1,999,400.00	600.00	1,999,400.00	600.00
Penn-Haven Realty Company . . .	100%	14,850.00	150.00	14,850.00	150.00
Railway Express Agency, Inc. . . .	1.1%	*	*	1,100.00	—
Wharton and Northern Railroad Company . . .	100%	499,300.00	700.00	1,024,331.18	1,436.07
Total		\$5,573,675.00	\$7,785.00	\$6,208,671.95	\$9,039.07

* No Par Value

Stocks—Other Investments

The Central Railroad Company of New Jersey

Lehigh and Hudson River Railroad Company . . .	\$ 786,900.00	\$ 100.00	\$ 748,192.12	\$ 95.08
Raritan River Railroad Company . . .	494,900.00	400.00	838,931.52	678.06
Total	\$1,281,800.00	\$ 500.00	\$1,587,123.64	\$ 773.14

Jersey Central Lines

Bonds—Affiliated Companies

The Central Railroad Company of New Jersey

	Percent of Ownership	Date of Maturity	Total Amount of Issue	Pledged Par Value	Pledged Ledger Value
Allentown Terminal Railroad Company First Mortgage Gold Bonds	45.55%	July 1, 1954	\$ 450,000.00	\$ 205,000.00	\$ 205,000.00
Dover and Rockaway Railroad Company 6% First Mortgage Bonds	100%	#July 1, 1906	25,000.00	=17,000.00	17,000.00
New York and Long Branch R. R. Co. 4% Cons. Mtge. Gold Bonds, Series "B"	50%	Sept. 1, 1981	2,692,000.00	1,346,000.00	1,346,000.00
New York and Long Branch R. R. Co. 5% Cons. Mtge. Bonds, Series "A"	50%	July 1, 1979	538,000.00	269,000.00	269,000.00
Total				\$1,837,000.00	\$1,837,000.00

Past Due

= Excludes deposit with Hudson Trust Company, Hoboken,
N. J., Trustee under the Dover and Rockaway Railroad
Company Mortgage, \$8,000.00.

Notes and Mortgages

The Central Railroad Company of New Jersey

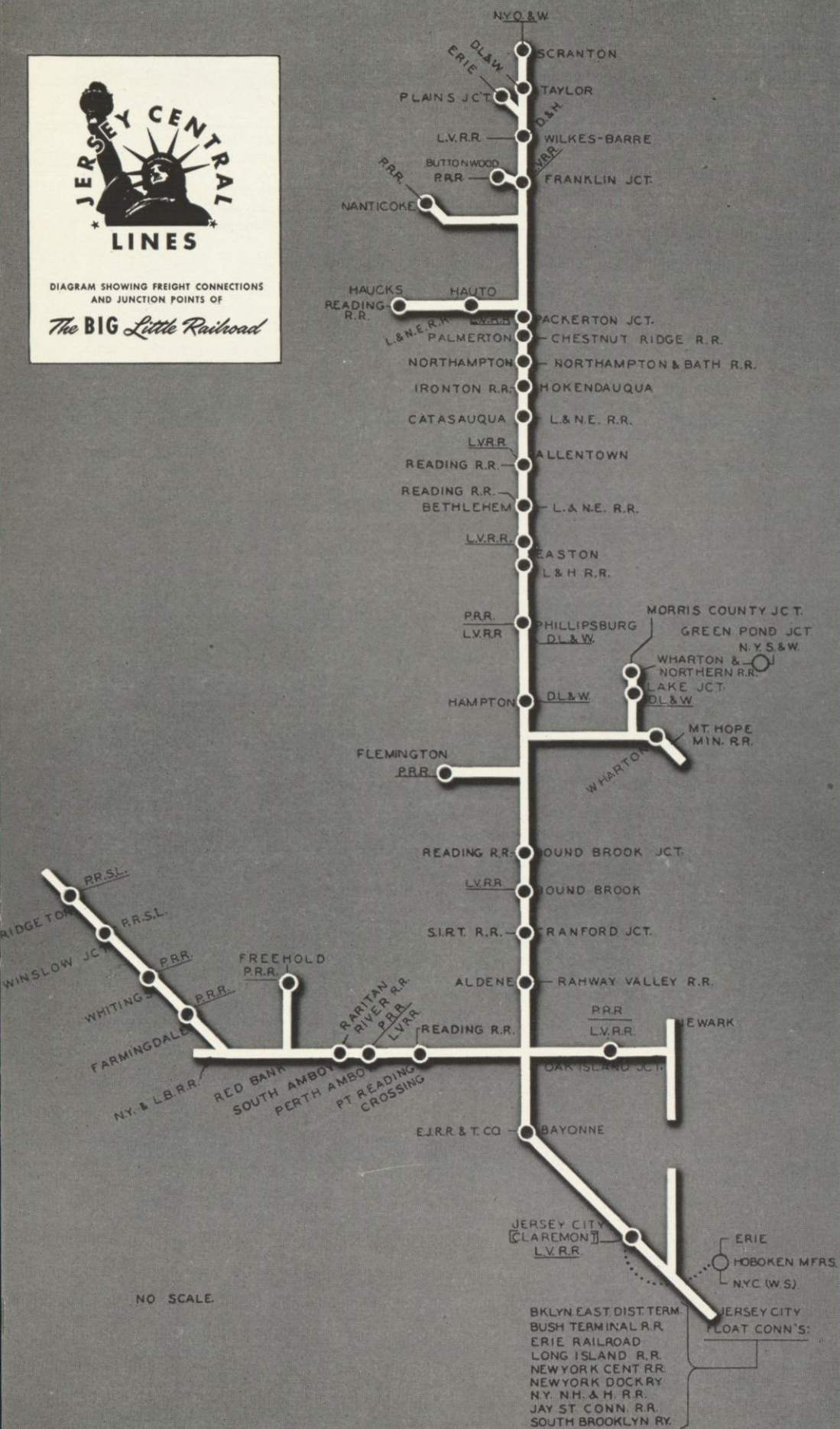
	Percent of Ownership	Date of Maturity	Total Amount of Issue	Pledged Par Value	Pledged Ledger Value
Edroyal Corporation 1½%	100%	Demand	\$ 675,000.00	\$ 675,000.00	\$ 675,000.00
Penn Haven Realty Company	100%	When called	40,000.00	40,000.00	40,000.00
Total				\$ 715,000.00	\$ 715,000.00

NOTE: No statistical supplement is being issued. However, statistical tabulations available will be furnished any security holder upon written request specifying the data desired.



DIAGRAM SHOWING FREIGHT CONNECTIONS
AND JUNCTION POINTS OF

The BIG Little Railroad



The BIG^{*} Little Railroad

* Through these many connections with other railroads, Jersey Central Lines offers a service flexible enough to meet most shippers' requirements.

Jersey Central Lines

Freight Traffic Agencies

The Jersey Central Lines maintains Freight Traffic Agencies in major cities as listed below. Agents in charge of these offices are ready to give every assistance to shippers. You can help us by urging your shipper friends to ask these Agents about Jersey Central Lines service. Or tell your nearest Agent of prospective business that comes to your attention. He'll carry on from there, promptly, courteously and thoroughly.

ALBANY 7, NEW YORK	J. C. Powers, General Agent 11 The Plaza—Phone Albany 3-4547
ALLENTOWN, PENNSYLVANIA	J. H. Weiss, Division Freight Agent 804-806 Allentown National Bank Building Phone Allentown 4-6136
BOSTON 10, MASSACHUSETTS	C. H. McNab, General Agent 406-407 Chamber of Commerce Building Phone Liberty 2-5320
BUFFALO 3, NEW YORK	C. R. Everding, General Agent 532 Ellicott Square Phone Washington 1274
CHICAGO 3, ILLINOIS	W. D. Wakeman, General Western Freight Agent 3324 Bankers Building, 105 West Adams Street Phone Randolph 6-1816
CLEVELAND 14, OHIO	F. F. Siegel, General Agent Room 407, Park Building Phone Cherry 1-0968
DETROIT 26, MICHIGAN	E. P. Seiwert, General Agent 622-623 Lafayette Building Phone Woodward 3-4396
LONG BRANCH, NEW JERSEY	H. E. Garrison, Division Freight Agent Phone Long Branch 6-0486 Ext. 11
NEWARK 2, NEW JERSEY	E. T. Ginder, Division Freight Agent Broad Street Station Building Phone Market 2-5300
NEW YORK 6, NEW YORK	B. J. McSweeney, General Freight Agent 143 Liberty Street Phone Barclay 7-9700
PHILADELPHIA 2, PENNSYLVANIA	F. H. Hicks, Assistant General Freight Agent Room 1610, Girard Trust Co. Bldg. 1400 South Penn Square Phone Rittenhouse 6-7390
PITTSBURGH 22, PENNSYLVANIA	C. E. Armstrong, General Agent Room 801-802, Park Building Fifth Avenue and Smithfield Street Phone Atlantic 1-7404
ST. LOUIS 2, MISSOURI	F. H. Witting, General Agent 1035-1036 Boatmen's Bank Building Phone Central 4760
WHARTON, NEW JERSEY	M. H. Dorman, General Agent Main Street Phone Dover 6-0129
NEW YORK 6, NEW YORK	Don Y. Smith Chief Freight Traffic Officer (CRR of NJ)

John F. Hourigan
Freight Traffic Manager (Rates)

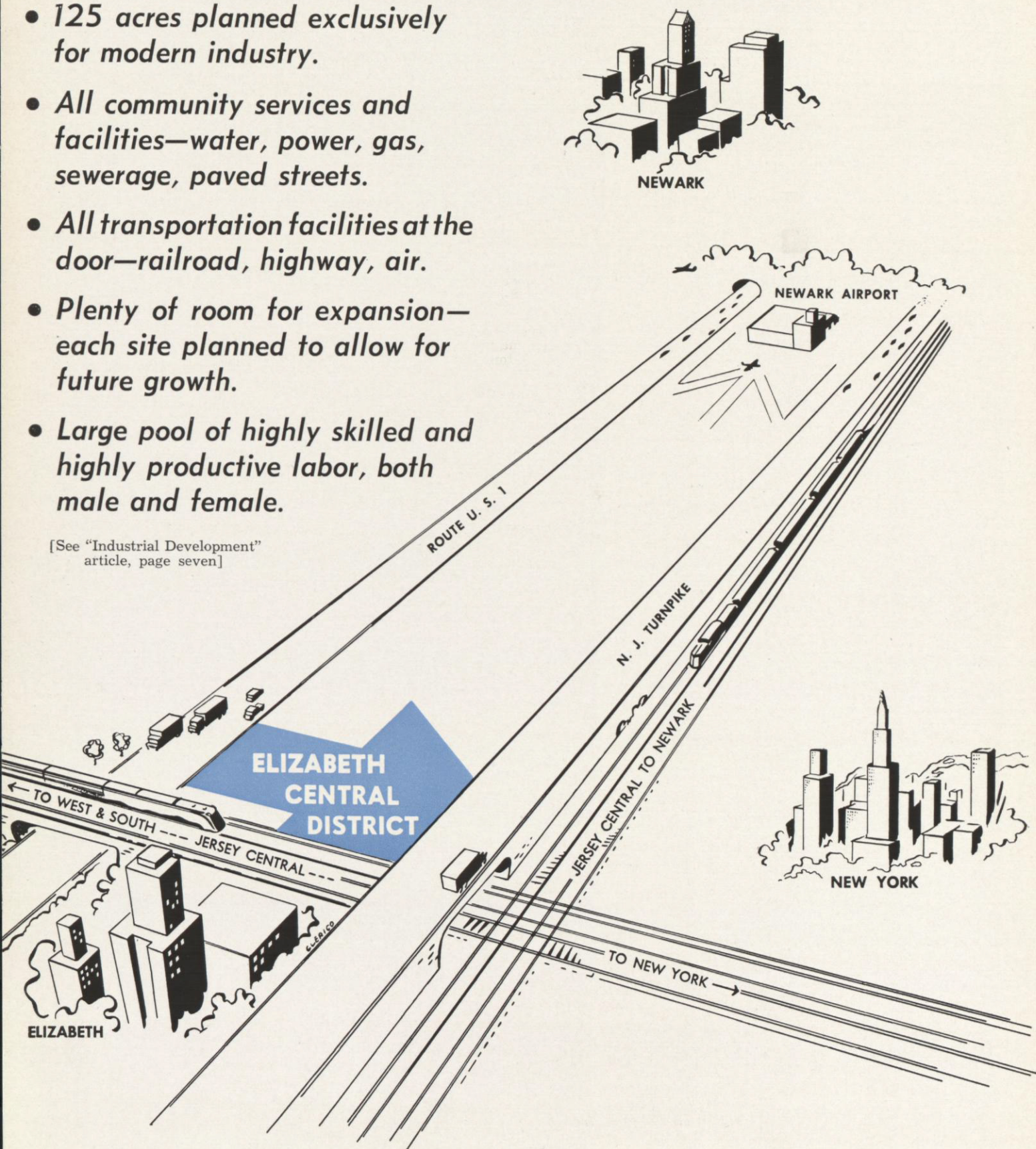
Richard J. Sullivan
Freight Traffic Manager (Sales and Service)

James S. Watson
General Coal Freight Agent

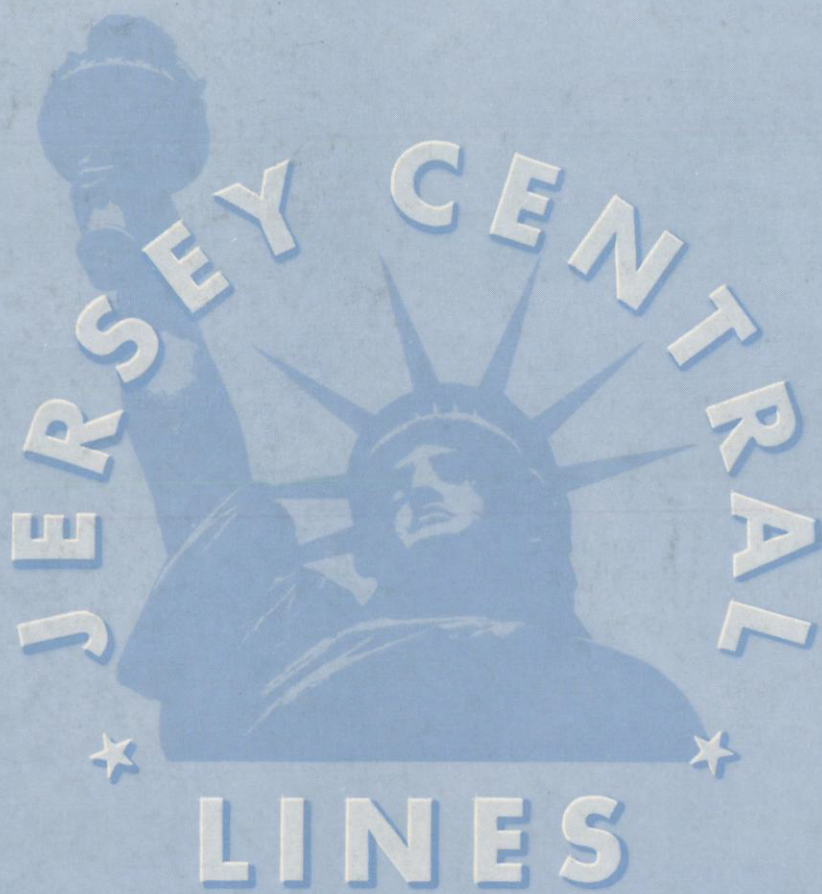
JCL's Elizabeth Central District Has Everything for Industry

- 125 acres planned exclusively for modern industry.
- All community services and facilities—water, power, gas, sewerage, paved streets.
- All transportation facilities at the door—railroad, highway, air.
- Plenty of room for expansion—each site planned to allow for future growth.
- Large pool of highly skilled and highly productive labor, both male and female.

[See "Industrial Development" article, page seven]



At the Crossroads of the World!



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